Conveyances, Interest charges and Stationery and Printing. The large increase of Rs. 2·3 lakhs under Miscellaneous is accounted for by an enhanced provision of Rs. 91,000 for defence measures and Rs. 1½ lakhs towards cyclone relief measures. Of this amount of one and a half lakhs, Rs. 20,000 was for free distribution of rice and Rs. 1,30,000 for free grants to the poor for purposes of house construction and agricultural improvements. The increase in expenditure under Forests and Tramway amounting to Rs. 27,000 is on account of the expansion of the activities of the department to meet the increased demands for timber on account of the War. Against the increased expenditure of Rs. 27,000 there has been an increase in income in the Forest department to the extent of Rs. 1,28,000. Increases under Charges for Prevention of Epidemics and cost of lymph account for the rise of Rs. 16,000 under Public Health. The decrease in expenditure under Matches is again on account of the difference in the date of adjustment of Matches revenue between the State and the Government of India. The variations under other heads do not call for any special comment.

BUDGET ESTIMATES FOR THE YEAR 1117

Receipts.—Taking up the estimates for the coming year we have anticipated Rs. 25 lakhs under Customs against the revised estimate figure of the current year amounting to Rs. 27·7 lakhs. The drop is purely on account of the temporary set back in the gross Customs collections of the Port on account of the war. Only Rs. 6·5 lakhs is provided under Income-tax against Rs. 8 lakhs in the revised estimate of 1116: this also on account of the fact that earnings from trade and commerce would not come to the same level as in the current year. Fortunately the gross revenue under the State Railway does not show any reduction as compared to the budget or revised estimates of the current year. It has been increasing from year to year as the following statement would show.

	Gross earnings (In lakhs of rupees)
Actuals of 1113	.. 16·71
,, 1114	.. 16·87
,, 1115	.. 17·53
Revised Estimate of 1116	.. 19·62
Budget Estimate of 1117	.. 20·00

Forest and Tramway is also expected to bring in a larger revenues of Rs. 39,000 over that of the revised estimate of the current year which itself was in excess of the budget estimate of 1116 by Rs. 1,28,000. Under Abkari and Ganja about Rs. 54,000 less than the revised estimate of the current year alone

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has been provided. Under land revenue the arrears of the current year are expected to be realised in next year and hence the increase of Rs. 37,000 over the revised estimate figure of Rs. 12·26 lakhs. This year Rs. 2·25 lakhs was specially transferred from the Revenue Reserve Fund to the revenue head "Miscellaneous" to provide for additional buildings in the Education and Medical departments. This was a very special provision and was not to be repeated every year. Therefore there is a reduction of a little over Rs. 2·39 lakhs under the Miscellaneous income in the State budget. Rs. 1 lakh is however proposed to be transferred from the Revenue Reserve Fund to Miscellaneous as in the last two years to provide for extra funds to continue the Rural Reconstruction activities. Including this provision of Rs. 1 lakh, income under Miscellaneous stands at Rs. 1·3 lakhs.

The total receipts under revenue heads for next year in all amount to Rs. 113·49 lakhs against the corresponding revised estimate figure for the current year of Rs. 120·23 lakhs. There is thus a drop of Rs. 6·74 lakhs of which 2·7 lakhs is under Customs, 1·5 lakhs under Incometax, very nearly Rs. 54,000 under Abkari and Ganja, about Rs. 27,000 under Tobacco, Rs. 24,000 under interest and Rs. 2·39 under Miscellaneous. These reductions have been partially set off by increase in revenue under Land Revenue, Matches, Forests and Tramway and Railway. The net result is however a large fall in revenue for next year of over Rs. 6·7 lakhs as compared to the revised estimate of the current year.

Disbursements.—Against this, on the expenditure side there is a reduction of only Rs. 2·7 lakhs. As usual large provisions have been made for Development Departments: Public Works, Education, Medical, Panchayats, Agriculture, Public Health, Industries and Ayurveda. The programme of works for next year under Public Works, Village Panchayats, Public Health, and Rural Development have been printed *in extenso* in the appendices to the budget estimates. There are not very large variations in the total under any of these heads as compared to the current year.

Under Education it is however necessary to point out that as a beginning Rs. 5,000 is provided for feeding of the poor children.

As a result of the War prices of medicines have increased considerably and therefore both in the current year's and next year's budget an extra sum of Rs. 25,000 has been provided under Advances for purchase of medicines.

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Out of the Rs. 1 lakh specially allotted for Rural Development works Rs. 38,000 has been earmarked for minor irrigation works covering a large area. Thus a little over one-third of the entire amount is proposed to be utilised for the very useful purpose of irrigation. Rs. 18,050 is provided for roads and Rs. 6,550 for tanks and wells. The rest of the amount is distributed among other useful activities for purpose of Rural Development such as Libraries, Ayurvedic Dispensaries, Grants to Depressed Classes, Improvement of Public Health and Development of Minor Industries, of which particular mention should be made of manufacture of sugar from cocoanut sweet toddy.

Obviously this is hardly the time to launch upon large schemes involving heavy expenditure. The need of the hour is to conserve all resources to provide for emergencies. This point has been carefully kept in mind in preparing the estimates for the next year. Expenditure has been put down to the lowest possible minimum especially in the case of routine administrative charges.

War Effort.—In this connection it is relevant to record that the Government has so far paid a total amount of Rs. 2,30,000 towards His Excellency the Viceroy's War Purposes Fund. Over and above this the War Purposes Committee have collected and paid in a total amount of over Rs. 94,000 in the current year. The State has been playing its part as fully as possible towards advancement of the War effort. It is particularly significant to note that His Highness the Maharaja was pleased even to curtail the expenses on account of His Highness's installation ceremonies with the object that whatever savings could be found in the usual expenditure for these ceremonies might be used towards this noble purpose. A sum of Rs. 20,000 which was particularly saved thus was remitted to His Excellency the Viceroy's War Purposes Fund on the 7th June 1941. This is only one more token to prove the contributions that Cochin in its own way is making to the advancement of the War effort. A sum of Rs. 1,20,000 has also been provided in the 1117 budget towards War contribution.

The Hon'ble Members are aware that the Government of India have instituted a Technical Training Scheme to train skilled artisans for employment in the army. This scheme has been extended to our State as well and both at Ernakulam and Trichur the leading industrial concerns have agreed to co-operate with the Government in this matter. Let us hope that this emergency measure would take us at least one step nearer to the goal of greater industrialisation in the State.

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Cyclone Relief.—As I explained in an earlier paragraph Rs. 2 lakhs in all, one lakh for house construction loans and one lakh for agricultural loans have been tentatively provided in the current year's budget for purposes of giving loans to the poor affected by the recent cyclone. Whether anything more will have to be provided for the above purpose in the next year's budget can be known only after final orders are passed on the proposal before the Government.

Further details of various provisions under the service heads have been given in the explanatory memorandum and for want of time I do not propose to discuss them in this speech. But let me point out that ultimately the total revenue expenditure for the next year comes to Rs. 108·97 lakhs against the total revenue of Rs. 113·49 lakhs leaving a surplus of Rs. 4·53 lakhs which is only about half of the net surplus in the years 1115 and 1116. It is however gratifying to note that with the set backs in our finance on account of the War and the Cyclone we have been able to show this surplus.

THE COCHIN HARBOUR AND THE SHORANUR COCHIN RAILWAY

As I explained in my last budget speech the Capital expenditure on account of the Cochin Harbour works was completed in the last year itself. There has not been any payment on this account in the current year. So far the Cochin Government have incurred the following expenses on account of the Harbour:—

(*a*) Towards the reclamation of 100 acres at Rs. 15,000 per acre*		15,00,003
(*b*) 1st stage Harbour Works including Vypeen foreshore	Rs. 76,665	
	Rs. 15,979	
		92,644
(*c*) Loan to Harbour Authorities to meet the cost of second stage works (interest free)		3,00,000
(*d*) Two-thirds of the cost of the dredger		13,33,333
(*e*) Do. do. of the IVth stage works ..		63,43,840
(*f*) Do. do. of the Ware-house ..		1,13,330

Of the above, Rs. 15 lakhs on account of the reclamation brings in a return of 5 per cent amounting to Rs. 75,000 a year. This amount is paid by the Harbour Authorities in two half-yearly instalments of Rs. 37,500 each. The cost of the dredger is being repaid in 20 equated annual instalments the interest on the balances being 4 per cent. The expenditure on account of the IVth stage

*N. B.—Rs. 22·5 lakhs the cost of 150 acres was repaid in 1115.

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